## Message Text

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TO AMEMBASSY QUITO

**UNCLAS STATE 229151** 

E.O. 11652:N/A

TAGS: OEXC, EC

SUBJECT: DRAFT AGREEMENTS FOR JOINT SCHOLARSHIPS

REF: (A) QUITO A-88, (B) QUITO 6481, 6482, 6483, (C) BRIGGS/BELL/WARD SEPTEMBER 14 TELCON

1. SEPTEL FOLLOWS ASAP WITH SUGGESTIONS ON ORGANIZATIONS WHICH MINISTRY OF NATURAL RESOURCES AND ENERGY MIGHT CONTACT RE ITS PROPOSED TRAINING PROGRAM. AS INDICATED IN TELCON, THE TYPE OF TRAINING DESIRED BY THE MINISTRY DOES NOT SEEM TO FIT IN THE PATTERN OF ACADEMIC EXCHANGES CARRIED OUT UNDER THE FULBRIGHT/HAYS PROGRAM. WE ARE HOWEVER STILL UNCLEAR ABOUT SOME ASPECTS OF THE PROPOSED AGREEMENT WITH THE MINISTRY AND WOULD APPRECIATE CABLED CLARIFICATION OF THE FOLLOWING POINTS:

A. CLAUSE ONE INDICATES THAT SCHOLARSHIPS WILL BE OFFERED TO ECUADOREAN GRADUATE OFFICIALS OF THE MINISTRY IN GEO-PHYSICS, CHEMICAL ENGINEERING, PETROLEUM ENGINEERING, PETROLEUM ECONOMICS, EXECUTIVE MANAGEMENT AND ADMINISTRATION AND COMPUTER SCIENCE. TOTAL NUMBER OF PROPOSED GRANTS ADDS TO EIGHT. CLAUSE TWO REFERS TO THE COMMISSION'S PROVIDING FIFTY PER CENT OF THE TOTAL COST OF EIGHT SCHOLARSHIPS, AND UNCLASSIFIED

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UNDER (B), PERFORMING THE NECESSARY CONTACTS TO PROVIDE

PRACTICAL AND THEORETICAL TRAINING IN EIGHT DIFFERENT AREAS FOR PERIODS RANGING FROM THREE TO SIX MONTHS. WE HAD FIRST THOUGHT THESE EIGHT TRAINEESHIPS WERE IDENTICAL WITH THE EIGHT SCHOLARSHIPS BUT THE FIELDS DO NOT APPEAR TO BE IDENTICAL. FOR INSTANCE ONE SCHOLARSHIP IS PROPOSED IN COMPUTER SCIENCE (SYSTEMS ANALYSIS) BUT THERE IS NOTHING IN THE LIST OF TRAINING FIELDS THAT FITS THIS. ARE THE TWO GROUPS OF EIGHT INTENDED TO BE IDENTICAL? OR IS THERE ONE GROUP OF EIGHT TO CARRY OUT REGULAR GRADUATE STUDY FOR ONE ACADEMIC YEAR, AND ANOTHER GROUP OF EIGHT TO RECEIVE ON-THE-JOB TRAINING FOR SHORTER PERIODS?

- B. THERE IS A REFERENCE ON PAGE 3 OF THE DRAFT AGREEMENT TO 19 OTHER OFFICIALS WHOSE TRAINING WOULD BE CARRIED OUT SUBJECT TO AVAILABILITY OF FUNDS FOR THE MINISTRY TO FINANCE THEM. WOULD THESE BE FOR GRADUATE ACADEMIC STUDY FOR ONE ACADEMIC YEAR OR FOR ON-THE-JOB TRAINING, OR BOTH? PLEASE CLARIFY.
- 2. FOLLOWING ARE RECOMMENDED CHANGES IN PROPOSED AGREEMENT WITH COMISION DE VALORES/CORPORACION FINANCIERA NACIONAL:

A. CLAUSE ONE, ATTACHMENT ONE. MINIMUM TOEFL SCORE SHOULD BE 450, OR BETTER STILL, 500. THE LAST ELIGIBILITY REQUIREMENT, ACCEPTANCE BY A U.S. UNIVERSITY, SHOULD BE

ELIMINAD. THIS IS ONE OF SEVERAL REQUIREMENTS TO BE MET BEFORE A GRANT IS AWARDED, BUT IT IS NOT A CONDITION THE CANDIDATE HAS TO MEET BEFORE HE CAN BE CONSIDERED FOR THE PROGRAM.

B. CLAUSE THREE. NO REPEAT NO OBJECTION TO LIST OF SUGGESTED INSTITUTIONS AS LONG AS IT IS CLEAR THAT PLACEMENT IS NOT LIMITED TO THIS LIST. IN ORDER TO MAKE THIS CLEARER, WE SUGGEST SECOND SENTENCE OF THIS CLAUSE BE REWORDED AS FOLLOWS QUOTE THOSE UNIVERSITIES LISTED IN ATTACHMENT 2 WILL BE PREFERRED DURING SAID SELECTION, BUT IT IS AGREED THAT PLACEMENT WILL NOT BE LIMITED TO THESE INSTITUTIONS UNCLASSIFIED

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C. CLAUSE FOUR. ON INSURANCE ITEM, ALL AMERICAN AND FOREIGN FULBRIGHT-HAYS GRANTEES ARE INSURED THROUGH A POLICY WITH THE SUPREME LIFE INSURANCE COMPANY OF AMERICA, AND POST HAS DETAILS ON THIS. THERE IS NO REPEAT NO WAY TO DIVIDE THESE COSTS. ANY GRANTEES UNDER THIS AGREEMENT WILL THEREFORE RECEIVE THE STANDARD DEPARTMENT INSURANCE

COVERAGE. THE CORPORACION MAY IF IT WISHES PROVIDE ADDI-TIONAL INSURANCE COVERAGE. SIMILARLY, IT IS NOT POSSIBLE TO BREAK OUT A UNIT COST FIGURE FOR IIE'S CHARGE FOR PLACEMENT AND SUPERVISION FOR SUCH A SMALL NUMBER OF STUDENTS. THEY WILL BE SHOWN ON OUR REGULAR QUOTA SHEET FOR IIE AS PARTIALS WITH AN INDICATION THAT HALF OF THE PROGRAM COST IS TO BE MET BY THE CORPORACION; THE COST OF PLACEMENT AND SUPERVISION WILL BE MET THROUGH OUR REGULAR CONTRACTUAL ARRANGEMENTS WITH IIE. IN LINE WITH THE FOREGOING, WE SUGGEST INSERTING THE WORD QUOTE PROGRAM UNOUOTE IN LINE THREE SO IT WOULD READ TOTAL PROGRAM COST. SAME FOR NEXT SENTENCE WHICH WOULD THEN READ THE TOTAL PROGRAM COST INCLUDES ONE ROUND-TRIP TRANSPORTATION FROM THE GRANTEE'S PLACE OF RESIDENCE TO THE UNIVERSITY OR UNIVERSITIES, TUITION AND FEES, ROOM AND BOARD, AND BOOKS AND EDUCATIONAL MATERIALS.

- D. CLAUSE SIX. SHOULD READ QUOTE FOR THE SELECTION OF CANDIDATES UNQUOTE. (BFS SELECTS GRANTEES.) ALSO, FOR GREATER CLARITY, SUGGEST THIS SENTENCE END QUOTE THE CANDIDATES WHO WOULD START THEIR STUDIES IN THE FALL OF THE FOLLOWING YEAR UNQUOTE.
- E. CLAUSE SEVEN. THIS SHOULD BE REWORDED TO INSURE THAT, EVEN IF THE AGREEMENT WERE TO LAPSE AFTER ONE YEAR, THE CORPORACION WOULD STILL BEAR HALF THE PROGRAM COST OF ANY RENEWAL GRANTS TO GRANTEES FROM THE PREVIOUS YEAR. SUGGEST THE FOLLOWING: THIS AGREEMENT WILL BE EFFECTIVE FOR A YEAR, BUT IT MAY BE RENEWED FOR CONSECUTIVE YEARS BY MUTUAL AGREEMENT BETWEEN THE PARTIES. IT IS UNDERSTOOD AND AGREED THAT SHOULD THE AGREEMENT BE TERMINATED, EACH

PARTY WOULD STILL BE RESPONSIBLE FOR PAYING HALF THE PROUNCLASSIFIED

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GRAMT COST FOR ANY RENEWALS TO GRANTEES FROM THE PREVIOUS YEAR.

F. CLAUSE NINE. SUGGEST REWRITING AS FOLLOWS: THE COMMISSION WILL BE RESPONSIBLE FOR INSURING THAT THE APPLICATIONS OF PRINCIPAL AND ALTERNATE CANDIDATES ARE SUBMITTED TO THE DEPARTMENT OF STATE EACH YEAR IN ACCORDANCE WITH THE REGULAR TIME SCHEDULE FOR SUBMISSION OF STUDENT APPLICATIONS, TO PERMIT TIMELY REVIEW AND PLACEMENT PROCEDURES THROUGH THE INSTITUTE OF INTERNATIONAL EDUCATION AND SELECTION BY THE BOARD OF FOREIGN SCHOLARSHIPS. IT IS UNDERSTOOD AND AGREED THAT REGULAR SUPERVISION AND REPORTING PROCEDURES CARRIED OUT FOR OTHER FULBRIGHT-HAYS FOREIGN STUDENT GRANTEES WILL ALSO BE APPLICABLE TO CANDIDATES SELECTED UNDER THIS PROGRAM.

(FYI, REPORTING BY AND ON FOREIGN STUDENT GRANTEES IS NOW UNDER REVIEW, SEE STATE A-3501 JULY 14, 1976.)

- 3. FOLLOWING ARE RECOMMENDED CHANGES IN PROPOSED AGREEMENT WITH ESPOL:
- A. CLAUSE ONE. SHOULD HAVE FINAL SENTENCE SIMILAR TO 2.E. ABOVE.
- B. CLAUSE SEVEN. AFTER NEW JERSEY, INSERT A SENTENCE READING QUOTE MINIMUM TOEFL SCORE MUST BE (CHOICE OF 450 OR 500) UNQUOTE.
- C. CLAUSE EIGHT. CHANGE TITLE OF COMMITTEE TO JOINT COMMITTEE FOR SELECTION OF CANDIDATES.
- D. CLAUSE NINE. SAME WORDING SUGGESTED AS 2.F. ABOVE.
- E. CLAUSE TEN. CHANGE SENTENCE TWO TO END TOTAL PROGRAM COST OF EACH SCHOLARSHIP. IN SECOND PARAGRAPH, CHANGE TO READ QUOTE THROUGH THE DEPARTMENT OF STATE TO THE INSTITUTE

OF INTERNATIONAL EDUCATION UNQUOTE.

4. WE MUST INVESTIGATE IN MORE DETAIL THE QUESTION OF EXACTLY HOW THE CORPORACION OR ESPOL WOULD PAY ALL ENGLISH TRAINING COSTS. WE WILL ADVISE YOU ASAP ON THIS AND SUGUNCLASSIFIED

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GEST YOU GO AHEAD WITH THE BASIC AGREEMENTS NOW ON UNDERSTANDING SOME AMENDMENT MIGHT LATER BE REQUIRED TO COVER JUST HOW PAYMENT OF ENGLISH TRAINING WOULD BE COVERED. LAST YEAR'S INECEL EXPERIENCE DOES NOT HELP BECAUSE OF THE TWO STUDENTS PARTIALLY FUNDED BY INECEL, ONE WAS SUPPOSED TO PAY FOR HIS OWN ENGLISH TRAINING AND IN THE OTHER CASE IIE INFORMED THE COMMISSION THAT NO EXTRA COSTS WOULD BE INVOLVED.

5. IF PROPOSED CHANGES IN WORDING OF CORPORACION AND ESPOL AGREEMENTS ARE CLEAR PLEASE GO AHEAD WITHOUT RESUB-

MITTING NEW TEXTS TO DEPARTMENT. IF YOU HAVE ANY QUESTIONS PLEASE CALL ALICE WARD, 632-3516. WE WOULD APPRECIATE RECEIVING COPIES OF FINAL AGREEMENTS WHEN AVAILABLE.

6. PLEASE NOTE NEXT TOEFL EXAM IS NOVEMBER 20 AND DEADLINE FOR REGISTRATION IS OCTOBER 11. ROBINSON

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